GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:283
ANSWERED ON:18.12.2008
ETHANOL MIXED PETROL
Deshmukh Shri Subhash Sureshchandra;Reddy Shri Magunta Sreenivasulu

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the status of ethanol blended petrol programme;

(b) whether the Government has started selling petrol and diesel after mixing them with ethanol and extracts of Ratanjot;

(c) if so, the quantum of such petrol and diesel sold so far and the price of such blended fuel;

(d) the stipulation regarding the quantity of ethanol and Ratanjot which can be mixed with petrol and diesel.

(e) whether the Government proposes to enforce 10% mandatory ethanol blending in petrol; and

(f) if so, the details thereof?

Answer

MINISTER of PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (f) OF THE LOKSABHA STARRED Question NO.283 BY SHRI SUBHASH SURESH CHANDRA DESHMUKH, SHRI MAGUNTA SREENIVASULU REDDY TO BE ANSWERED ON 18TH DECEMBER 2008 REGARDING ETHANOL MIXED PETROL

(a)to(d) Ministry of Petroleum & Natural Gas vide its notification dated 20th September, 2006 has directed the Oil Marketing Companies (OMCs) to sell 5% Ethanol Blended Petrol (EBP) subject to commercial viability as per Bureau of Indian Standards specifications in the entire country, except North-Eastern States, Jammu & Kashmir, Andaman & Nicobar Islands and Lakshdweep with effect from 1st November, 2006.

2. At present out of the identified 20 States and 4 UTs, 5% EBP programme is being implemented in 14 States and 3 UTs. OMCs have finalised tenders for ethanol and EBP releases have since commenced at all locations in these States/UTs.

3. As per the existing Bio-diesel Purchase policy, 5% of Bio-diesel can be blended with High Speed Diesel (HSD). The purchase price of bio-diesel is at Rs. 26.50 per litre w.e.f. 22.8.2006.

4. Public Sector Oil Marketing Companies have not been able to purchase bio-diesel at the identified purchase centres so far, as the parties who have expressed interest are not willing to supply at the declared price.

5 (i) The quantity of 5% ethanol blended petrol sold by OMCs is as under :

Year	Quantity of EBP sold by IOCL (Crore litre)	Quantity of EBP sold by BPCL (Crore litre)	Quantity of EBP sold by HPCL (Crore litre)	Total
2008-09 (upto Nov'2008)	174.3	81.088	76.1999	331.5879
2007-08	266.3	116.974	121.4141	504.6881
2006-07	91.3	34.74	243.4409	169.4829
2005-06	42.6	20.206		62.806

Grand Total 1068.5649

(ii) The quantity of 5% bio-diesel sold by OMCs - Nil.

6. The price per litre of ethanol blended petrol and bio-diesel is same as that of normal petrol and diesel respectively.

(e) & (f) : The Cabinet Committee on Economic Affairs (CCEA) had decided on 9.10.2007 to make 5% blending of ethanol with petrol mandatory with immediate effect across the country (except Jammu & Kashmir, North Eastern States and island territories) and optional blending of 10% ethanol with petrol from October 2007 and thereafter mandatory blending from October, 2008.

2. OMCs are facing certain constraints with respect to free inter-state movement of ethanol and levy of duties on it by the state governments which is impacting even the implementation of 5% EBP Programme. Further, ethanol supplies are not adequate to meet the demand. Thus, even the 5% EBP Programme has not yet stabilized.

3. In addition, Society for Indian Automobile Manufactures (SIAM) has raised certain concerns about the compatibility of present in-use auto engines which are already on road including 2 & 3 wheelers with 10% EBP. To assess the compatibility of engines with E10, MoPNG has directed OMCs to take up a pilot project study using 10% ethanol in Aonla Depot of UP and Desur Depot of Karnataka.

4. If blending is to be raised to 10% level across the country, it will have to be ensured that sufficient ethanol is available for the programme in required quantities at all the notified locations and OMCs do not suffer any under recovery in sale of EBP. Further, issues relating to compatibility of 10% EBP with auto engine and simplification and uniformity of different procedures adopted by different States/UTs in relation to procurement of ethanol and State duties need to be resolved.